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"Just in Case" Policy in the Arctic

by Eva Ingenfeld

INTRODUCTION

The world's oceans, in particular the Arctic Ocean, are taking on more and more of a geopolitical focus because of a continuing shortage of land-based raw materials, the expected resource wealth in the Arctic, new conveyor and transport technologies, and the progressive climatic amelioration. These factors have aroused a worldwide interest in the Arctic, especially among the A5, as the Arctic States–Canada, Russia, the United States of America, Norway, and Denmark–call themselves. Each of these nations claims part of the Arctic Ocean (Fig. 1). Unlike its southern counterpart, the Antarctic, the Arctic is not protected by a contract, and therefore territorial claims are not illegal.

The basic legal reference document for all Arctic sovereignty and territorial claims is the United Nations Convention on the Law of the Sea (UNCLOS). UNCLOS Article 76 (No. 8) allows a coastal state to expand its marine territory beyond the standard 200–nautical mile zone if it can provide geological evidence that its continental shelf extends beyond this limit (United Nations, 1982:54). A coastal state has 10 years from the date it ratifies UNCLOS to apply to the commission to extend its continental shelf. The applications for enlargement of the marine territory are submitted to the Commission on the Limits of the Continental Shelf (CLCS), which reviews each submission and makes a recommendation to the coastal nation. If the coastal nation and the CLCS agree, the nation can fix its external frontiers and make the new border binding. CLCS approval is not mandatory prior to a nation's expanding its boundaries. Russia submitted an application in 2001, which was rejected. Canada has until 2013 to submit an application and Denmark has until 2014. Norway submitted an application in 2006, but a recommendation from CLCS is still pending. The United States has not ratified UNCLOS (United Nations, 1982; UNEP/GRID-Arendal, 2009).

ACCESS AND RESOURCES

Until recently, the Arctic region seemed isolated from the rest of the world. However, the dramatic changes that are now taking place in the Arctic will lead to greater accessibility and therefore to new opportunities for economic use.

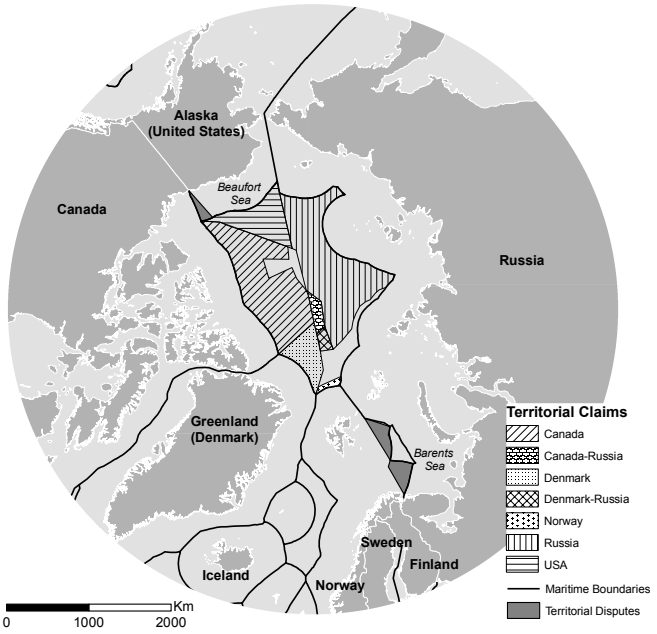

FIG 1. Territorial claims in the Arctic.

Climate Change

Climate warming makes the Arctic and its resources more accessible for exploitation. According to the Intergovernmental Panel on Climate Change (IPCC, 2007), climate change is occurring nearly twice as fast in the Arctic as in the rest of the world. The Arctic can be considered as an early warning system for climate change. Since the 1980s, the average temperatures in the Arctic have risen about 3% (ACIA, 2004). Along with rising temperatures, the Arctic has experienced a dramatic increase in the annual extent of sea ice. This decline in sea-ice extent is particularly pronounced in September. In September 2007, the monthly ice extent was 23% less than in September 2005 (Stroeve et al., 2008). Over the entire summer of 2007, Arctic ice cover declined by 42%, reaching a record minimum (Maslanik et al., 2007).

The Oil & Gas Industry: New Extraction Technologies

Various studies, including those by the United States Geological Survey (Bird et al., 2008), have shown that the Arctic

holds a high resource potential. It is estimated that more than 30% of the world's undiscovered natural gas reserves and 13% of its undiscovered oil reserves are located in the Arctic region (Bird et al., 2008; Gautier et al., 2009). Exactly how much oil and natural gas is hidden under the sea ice is uncertain. Extraction is extremely costly, but rising global prices for oil may make this relatively expensive endeavor profitable. The oil and natural gas of the Arctic give some nations the potential to strengthen their current position with respect to the Organization of Petroleum Exporting Countries.

Conditions in the deep sea are extreme. To optimize deep-sea exploitation, the petroleum industry must invest in infrastructure and new techniques that are efficient and environmentally friendly. For example, floating production platforms will replace the huge fixed rigs. Also, smaller-scale, sub-sea production technology is going to be used directly on the seabed (European Commission, 2007). Deep-sea petroleum tanker ships with the capacity to carry up to two million barrels of oil have now been developed. Despite these new technologies, the deep-sea ecosystem is extremely sensitive, and the effects of extracting deep-sea resources have not been investigated.

Fish Stocks

The Arctic is an important commercial fishing ground, especially for the largest populations (salmon, cod, and coalfish). To what extent climate change will affect fish stocks is still unclear. The danger of overfishing or illegal fishing in the Arctic still remains and will rise with increasing accessibility. New arrangements must be made for the protection of these fishing grounds.

THE ARCTIC AS AN INTEREST AND CONFLICT SPACE

The Arctic region holds a huge potential, so it is hardly surprising that the A5 nations claim parts of the Arctic for themselves. At the same time, the danger exists that the different interests of the players will collide and lead to tension or political conflicts.

The new economic usability and the accessibility of the Arctic and the rapid climate warming have raised many questions about its future. Also the situation in the Arctic has become an important geopolitical issue in the media: it is often spoken of as a new "Great Game," or "race for the raw materials of the North Pole" (Killaby, 2005; Howard, 2009). Reports of Russian long-range bombers and submarines patrolling dangerously close to Canadian territories in the Arctic strengthen the picture of a conflict (Shukman, 2008; CBC News, 2009). Arctic territorial conflicts are not new. The Canadian archipelago, for example, has been investigated, mapped, and claimed by different nations in the past. As a result, there have been sovereignty and territorial conflicts. Present border conflicts in the Arctic exist between Canada and Denmark, regarding the ownership of Hans Island in Nares Strait; Canada and the United States, regarding a sea area in the Beaufort Sea; Norway and Denmark, regarding the Exclusive Economic Zone (EEZ) of Spitsbergen; and Norway and Russia, regarding the EEZ in the Barents Sea (Fig. 1).

In addition to these border conflicts, a quarrel about the status of the Northwest Passage (NWP) remains unresolved. The NWP could shorten the transport distance from Europe to Asia considerably and compete with both the Panama Canal and the Suez Canal. The Passage runs through the Canadian archipelago, and Canada considers it as internal water. In contrast, the United States and the European Union perceive the NWP as international waters, within which they have the right to navigate freely.

The current territorial claims in the Arctic could lead to new tensions as the map of the Arctic changes and issues of border protection increase. The A5 nations are currently engaged in a debate on the protection of marine borders and marine territories.

STAKEHOLDERS IN THE ARCTIC

The stakeholder structure in the Arctic is extremely complex, because it stretches through several different levels: international, regional (circumpolar), national, and local.

Stakeholder operations at these different levels can lead to conflicts of interest. International-level operations are relatively new and have already led to strain between the A5 nations and other nations with northern interests. The A5 consider the Arctic as their region and view the developing interest by non-Arctic nations as a threat to their sovereignty and their area claims in the Arctic. But this way of thinking is about to change as the Arctic is being opened to the international interests of non-Arctic nations such as China, Japan, and Germany. These stakeholders are mainly interested in environmental issues, the use of new shipping routes, and mining concessions.

In general, two main stakeholder groups can be identified: Arctic states and non-Arctic states. The Arctic states all have territory north of the Arctic Circle and are members of the Arctic Council, an intergovernmental body established in 1996. The main tasks of the Arctic Council (2007) are to balance the interests between the Arctic states and the indigenous peoples, as well as answer questions about climate change and environmental protection. Arctic states, which include the A5 nations plus Sweden, Finland, and Iceland, are the decision makers at the Arctic Council. The A5 nations are interested in splitting the Arctic oil and natural gas deposits among themselves. Despite the uncertainty about how much oil and natural gas there really is in the Arctic, the A5 follow a "just in case" policy to protect their access to any potential resources.

The non-Arctic states are increasingly recognizing the potential of the ice-free Arctic and directing their gaze towards it. Specifically, China looks at the new sea routes to shorten the commercial routes between China and Europe

and to bypass regions affected by piracy. The Arctic Council recognizes France, Great Britain, Spain, Poland, the Netherlands, and Germany as observers. Recently, Italy, Japan, China, and the European Union nations have lobbied to obtain observer status with the Arctic Council (Witschel et al., 2010).

Other stakeholders include the indigenous populations of the Arctic, transnational organizations like the European Union and non-governmental groups (NGOs). Most of these non-state players operate on a local and national level because the Arctic states are the main players at the higher levels. The Arctic Council offers a framework in which the indigenous populations of the Arctic can present their interests, but they are not included in the decision-making processes. However, this situation could change in the future.

The interests of the indigenous populations lie in protecting their homeland and way of life, which are threatened more and more by outside economic interests. Representatives of indigenous peoples, such as the Inuit Circumpolar Council or the Saami Council, demand to be involved in the decision-making processes at the higher levels (Heininen, 2004; Witschel et al., 2010). Environmental protection groups like the World Wildlife Fund (WWF) and Greenpeace demand an agreement that will ensure ecosystem-based management of resources that protects and preserves the Arctic and the Arctic Ocean (WWF International Arctic Programme, 2009, 2010).

SUMMARY

New economic possibilities bring new opportunities for the Arctic region, but also new dangers. The sensitive ecological system of the Arctic is threatened by several factors. One important threat is the "just in case" policy of the Arctic states that are trying to protect their ability to gain territory and access to Arctic resources. A second is the increasing amount of transportation. A tanker catastrophe (like the *Shen Neng* 1 spill off the coast of Australia on 3 April 2010) would have disastrous effects. The future of the Arctic depends on the ability of all stakeholders to use the Arctic sustainably and to create governance structures that will protect the environment and the populations living there.

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